



Department of Justice

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TWO INDIVIDUALS, TWO FIRMS INDICTED FOR RIGGING BIDS ON FENCING

WASHINGTON, D.C. -- A federal grand jury in Philadelphia indicted two men and two companies for antitrust violations today, charging they conspired to rig bids on fencing contracts awarded by the city of Philadelphia.

The Antitrust Division of the Department of Justice said the one-count felony indictment named as defendants Chew Fence Inc. of Huntingdon Valley, Pennsylvania, and its principal, Donald H. Mohl of Huntingdon Valley; Vendetti Contractors Inc. of Philadelphia; and Michael L. Smith of Sicklerville, New Jersey, formerly employed by a New Jersey fencing company. Mohl, the husband of the owner of Chew Fence, prepared Chew's bids for the fencing contracts.

The indictment charged that beginning as early as June 1989 and continuing at least into January 1993 Chew Fence and Vendetti Contractors divided between themselves a series of emergency fencing contracts awarded by Philadelphia by submitting collusive, noncompetitive and rigged bids on the contracts. The indictment also charged that Smith, while an employee of Anchor

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Fence of South Jersey, submitted intentionally high bids on these contracts in exchange for cash payments he received from the co-conspirators.

It also is charged that Chew Fence won a series of requirement fencing contracts as a result of its participation in the conspiracy and concealed evidence of the conspiracy from law enforcement officials.

Emergency fencing contracts are contracts whereby the contractor performs fencing services at a designated location on a one-time basis at an agreed-upon price. Requirement contracts are contracts whereby the contractor agrees to provide fencing services as needed during a specified period according to an agreed-upon price schedule.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges, all violations of Section One of the Sherman Act, were the result of a continuing grand jury investigation into alleged bid rigging on Philadelphia fencing contracts and were the first uncovered by this investigation.

The investigation is being conducted by the Antitrust Division's Middle Atlantic Office, the Headquarters Investigative Unit of the Philadelphia Police Department and the Federal Bureau of Investigation.

The maximum penalty for a corporation convicted of violating the Sherman Act after November 1, 1990, is a fine of \$10 million,

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twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greatest. The maximum penalty for an individual convicted of violating the Sherman Act after November 1, 1990 is three years imprisonment and a fine of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greatest.

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